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BLANCHARD, WALKER, O'QUIN & ROBERTS
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April 12, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

WM. TIMOTHY ALLEN, III
Direct: 318.934.0217
Email: tallen@bwor.com

RE: HEARING APPLICATION
Cotton Valley Zone, Reservoir A
Simsboro Field
Lincoln Parish, Louisiana
Our File No. 230765.91

Dear Sir:

On behalf of CHESAPEAKE OPERATING, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Cotton Valley Zone, Reservoir A, Fowler Sand, Hill Sand, Upper Sligo Sand, Reservoir A, West Sand, West Zone of the Sligo Formation, Gardner Sand, Hosston L. Sand and the Hosston Formation in the Simsboro Field, Lincoln Parish, Louisiana:

1. To establish rules and regulations and to create five (5) drilling and production units (to be designated as CV RA SUA thru CV RA SUE) for the exploration for and production of gas and condensate from the Cotton Valley Zone, Reservoir A, in the Simsboro Field, Lincoln Parish, Louisiana, as shown on the plat attached hereto;
2. To force pool and integrate each of the separately owned tracts, mineral leases and other property interests within the proposed units for the Cotton Valley Zone, Reservoir A, to be created hereby, with production being allocated on a surface acreage basis of participation;
3. To designate Chesapeake Operating, Inc. as operator of the units to be created hereby.
4. To permit the Applicant to drill, designate and utilize certain unit wells and alternate unit wells for the proposed units, at the locations shown on the plat attached hereto;
5. To provide that future wells drilled to, permitted for or completed in the Cotton Valley Zone, Reservoir A, in the Simsboro Field, should be located in accordance with Statewide Order No. 29-E;
6. To permit the downhole combination of the Cotton Valley Zone, Reservoir A, Fowler Sand, Hill Sand, Upper Sligo Sand, Reservoir A, West Sand, West Zone of the Sligo Formation, Gardner Sand, Hosston L. Sand, and Hosston Formation, in the wellbore of any well in which the acreage and ownership are identical located in the following units:

- a) FWL SUD, HILL SUE, U SLI RA SUC, GARD SUC, HOSS L SUB, HOSS SU29 and CV RA SUB;
- b) FWL SUB, HILL SUB, U SLI RA SUE, WEST SUB, GARD SUD, HOSS L SUD, HOSS SU30 and CV RA SUA;
- c) FWL SUA, HILL SUC, U SLI RA SUA, GARD SUH, HOSS L SUC, HOSS SU28 and CV RA SUC;
- d) FWL SUC, HILL SUD, U SLI RA SUD, WEST SUD, GARD SUG, HOSS L SUE, HOSS SU24 and CV RA SUD;
- e) FWL SUE, HILL SUF, U SLI RA SUG, GARD SUJ, HOSS L SUA, HOSS SU27 and CV RA SUE;

5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Zone, Reservoir A, in the Simsboro Field is hereby defined as that stratigraphic equivalent top encountered at 9,610 feet (electric log measurement) in the Tensas Delta Exploration Co. LLC - Freudendorf et al No. 2 well located in Section 14, Township 17 North, Range 4 West and base encountered at 11,310 feet (electric log measurement) in the Murphy Oil Corporation - Palmer No. 1 well located in Section 14, Township 17 North, Range 4 West, Lincoln Parish, Louisiana.

The Upper Sligo Sand, Reservoir A, in the Simsboro Field, Lincoln Parish, Louisiana, is defined in Office of Conservation Order No. 222-G; effective January 18, 1979.

The West Sand, in the Simsboro Field, Lincoln Parish, Louisiana, is defined in Office of Conservation Order No. 222-D, effective August 1, 1960.

The West Zone of the Sligo Formation, in the Simsboro Field, Lincoln Parish, Louisiana, is fully defined in Office of Conservation Order No. 222-E, effective June 1, 1965.

The Fowler Sand, Hill Sand, Gardner Sand and Hosston L Sand, in the Simsboro Field, Lincoln Parish, Louisiana, are fully defined in Office of Conservation Order No. 222, effective December 4, 1951.

The Hosston Formation, in the Simsboro Field, Lincoln Parish, Louisiana was redefined by the following orders:

- a) Order No. 222-43, effective October 25, 2005, ONLY INsofar AS HOSS SU29 is concerned;
- b) Order No. 222-48, effective November 16, 2005, ONLY INsofar AS HOSS SU30 is concerned;
- c) Order No. 222-50, effective December 20, 2005 ONLY INsofar AS HOSS SU28 is concerned;
- d) Order No. 222-51, effective February 1, 2006, ONLY INsofar AS HOSS SU24 is concerned; and
- e) Shall be redefined INsofar ONLY AS HOSS SU27 is concerned, as being the stratigraphic equivalent of that gas and condensate bearing interval encountered between the depths of 6480 feet and 9610 feet (electric log measurements) in the Tensas Delta Expl. Co., LLC - Freudendorf , et al No. 2 Well, located in Section

14, Township 17 North, Range 4 West, Lincoln Parish, Louisiana, LESS AND EXCEPT the Gardner and Hosston L Sands as defined in Office of Conservation Order No. 222.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Chase Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

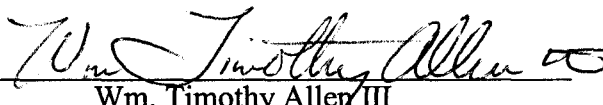
By Pre-Application Notice dated March 31, 2006, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a Pre-Application Conference, and accordingly, no conference will be held.

A check in the amount of \$6,795.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Chesapeake Operating, Inc.

WTAlII:kml
Enclosures

- cc: Mr. James C. Broussard, Shreveport
District Manager (w/enclosures)
- cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

